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July 1, 2011

TO: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Zev Yaroslavsky

FROM: Wendy L. Watanabe  
Auditor-Controller

SUBJECT: **COMMON GROUND - THE WESTSIDE HIV COMMUNITY CENTER - A  
DEPARTMENT OF PUBLIC HEALTH HIV/AIDS CARE AND  
PREVENTION SERVICE CONTRACT PROVIDER - FISCAL REVIEW**

We completed a fiscal review of Common Ground - The Westside HIV Community Center (Common Ground or Agency), a Department of Public Health (DPH) HIV/AIDS Office of AIDS Programs and Policy (OAPP) care and prevention contract service provider. The purpose of our review was to determine whether the Agency provided services to eligible clients, and spent funds in accordance with their County contract. We also evaluated the adequacy of Common Ground's accounting records, internal controls and compliance with the contract and applicable guidelines. Common Ground's contract services include HIV/AIDS case management, mental health psychotherapy, health education risk reduction outreach and HIV counseling/testing prevention services. Common Ground provides services in the Third Supervisorial District.

At the time of our review, Common Ground had three cost-reimbursement contracts and one fee-for-service contract with OAPP. OAPP paid Common Ground approximately \$516,000 from March 2009 to November 2010.

**Results of Review**

Common Ground appropriately charged expenditures to the OAPP program, and deposited and recorded cash receipts timely. In addition, Common Ground's Cost Allocation Plan was prepared in compliance with the County contract and appropriately

allocated shared program costs. However, Common Ground did not always document that mental health clients were screened for Medicare, Medi-Cal or other third-party coverage, as required. The Agency also did not implement procedures to charge service fees to clients using the approved fee schedule.

*Common Ground's attached response indicates that they have modified their system of enrolling HIV/AIDS clients and added a form to ensure mental health clients are screened for third-party coverage, and that they will use the current approved fee schedule for all clients.*

Details of our review, along with recommendations for corrective action, are attached.

### **Review of Report**

We discussed our report with Common Ground and OAPP. In their attached response, Common Ground indicates agreement with our findings and recommendations.

We thank Common Ground management and staff for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:JLS:DC:EB

Attachment

c: William T Fujioka, Chief Executive Officer  
Jonathan E. Fielding, Director, M.D., Department of Public Health  
Jeff Goodman, President, Board of Directors, Common Ground  
Sharon Chamberlain, Executive Director, Common Ground  
Public Information Office  
Audit Committee

**COMMON GROUND - THE WESTSIDE HIV COMMUNITY CENTER  
HIV/AIDS CARE AND PREVENTION SERVICES  
MARCH 2009 TO NOVEMBER 2010**

**ELIGIBILITY/SERVICES BILLED**

**Objective**

Determine whether Common Ground - The Westside HIV Community Center (Common Ground or Agency) provided services to individuals who met the eligibility requirements of the Department of Public Health's (DPH) Office of AIDS Programs and Policy (OAPP). In addition, determine the accuracy of the units of service billed under the fee-for-service contract.

**Verification**

We reviewed the case files for ten clients who received services from March 2009 to March 2010 for documentation of their eligibility for OAPP services. We also compared 19 service units billed to OAPP for five clients to supporting documentation.

**Results**

The case files for two (20%) of the ten clients did not contain documentation that they were screened to determine if they had Medi-Cal, Medicare or other third-party coverage. The contract requires OAPP funds to be used only for services that cannot be paid for by other sources. Providers must document in the clients' files that the clients were screened for other coverage.

The County also contract requires the Agency to impose a service fee based on the client's ability to pay. Common Ground developed a service fee schedule, which was approved by OAPP in 2009. However, the Agency is not requiring clients pay the appropriate service fee.

**Recommendations**

**Common Ground management:**

- 1. Ensure client files document that mental health clients have been screened for Medicare, Medi-Cal or other third-party coverage.**
- 2. Implement procedures to require clients to pay the appropriate service fees.**

**CASH/REVENUE**

**Objective**

Determine whether the Agency deposited cash receipts timely and recorded revenue properly in the Agency's records.

**Verification**

We interviewed the Agency's personnel and reviewed their accounting records. We also reviewed the Agency's bank reconciliation for December 2010.

**Results**

Common Ground deposited OAPP payments timely and recorded revenue properly.

**Recommendation**

None.

**COST ALLOCATION PLAN**

**Objective**

Determine whether the Agency prepared its Cost Allocation Plan in compliance with the County contract, and used the Plan to allocate shared Program costs appropriately.

**Verification**

We reviewed Common Ground's Cost Allocation Plan, and a sample of shared expenditures incurred from August 2009 to December 2010, to ensure that expenditures were allocated to the OAPP Program appropriately.

**Results**

Common Ground's Cost Allocation Plan was prepared in compliance with the County contract, and the costs were allocated to the OAPP Program appropriately.

**Recommendation**

None.

**EXPENDITURES**

**Objective**

Determine whether Program-related expenditures were allowable under the County contract, documented properly, and billed accurately.

**Verification**

We interviewed Agency personnel, and reviewed accounting records and documentation for 15 non-payroll OAPP expenditures, between August 2009 and to December 2010, totaling \$13,339.

**Results**

The Agency's expenditures were allowable, documented properly and billed accurately to the OAPP Program.

**Recommendation**

None.

**PAYROLL AND PERSONNEL**

**Objective**

Determine whether payroll expenditures were charged to the OAPP Program appropriately. In addition, determine whether the Agency maintained personnel files as required.

**Verification**

We reviewed payroll expenditures, totaling \$12,495, for five employees for January 2010, and reviewed the personnel files for the five employees. We also traced the payroll records and time reports.

**Results**

Common Ground charged payroll expenditures to the OAPP Program appropriately, and maintained personnel files as required by the County contract.

**Recommendation**

None.

**COST REPORTS**

**Objective**

Determine whether the Agency's Cost Reports reconciled to their accounting records.

**Verification**

We traced the Agency's Cost Reports to their accounting records for February 2010, March 2010, June 2010, and December 2010.

**Results**

Common Ground's Cost Reports reconciled to their accounting records.

**Recommendation**

**None.**



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The Westside HIV Community Center *Working together to fight HIV*

June 15, 2011

Wendy Watanabe  
Auditor-Controller  
LA County Department of Auditor-Controller  
1000 S. Fremont Ave., Unit #51  
Alhambra, Ca 91803

Dear Ms. Watanabe,

Upon completion of your agency's review of our FY 2009-2010 and 2010 - 2011 HIV/AIDS Care and Prevention Services, provided under contracts granted by the Office of AIDS Programs and Policy Division of the Los Angeles County Public Health Department, please be advised that we concur with the findings outlined below and in response to them, the following corrective measures have been implemented:

**RECOMMENDATIONS**

**Common Ground management:**

1. Ensure client files document that participants are screened for Medicare, Medi-Cal, managed care program, or other private insurance.

**Corrective Action:**

Common Ground has modified the system of enrollment into mental health services to ensure clients have been screened for Medicare, Medi-Cal, managed care program, or other private insurance. We currently have a Benefit Specialist contract which will screen all Common Ground clients upon entry into the agency. We have also included a screening form in the intake packet to ensure that screening takes place even if a client doesn't engage in the benefits specialty program at Common Ground.

2. Implement procedures that include the imposition of client fees, as appropriate.

**Corrective Action:**

Common Ground will ensure that we apply the current approved fee assessment schedule for all clients enrolling in Case Management services. We will include the



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forms that assess client's ability or inability to pay in each client file and re-assess fees as clients income level changes.

Should you have any questions, or require additional information, please contact me at (310) 314-5480, or via email at [lfisher@commongroundhiv.org](mailto:lfisher@commongroundhiv.org).

Thank you,

Lisa Fisher  
Director of Programs